

政府總部
運輸及房屋局
運輸科
香港添馬添美道2號
政府總部東翼



**Transport and
Housing Bureau**
Government Secretariat
Transport Branch
East Wing, Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong

本局檔號 OUR REF.:
來函檔號 YOUR REF.: CB4/PL/TP

電話Tel. No.: 3509 7150
傳真Fax No.: 3912 4817

1 April 2019

[English translation for reference only]

Secretary General
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn.: Ms. Sophie LAU)
[Fax no.: 2840 0716]

Dear Ms. LAU,

**Motions passed at the meeting
of Panel on Transport on 14 December**

Thank you for your letter dated 18 December to the Secretary for Transport and Housing regarding the captioned subject. Our reply is set out below.

The non-means tested Public Transport Fare Subsidy Scheme (“the Scheme”) has been implemented on 1 January 2019 to relieve the fare burden of the commuters who travel on local public transport services for daily commuting and whose public transport expenses are relatively high.

Under the Scheme, commuters with public transport expenses exceeding \$400 are eligible for the public transport fare subsidy. The Government will provide subsidy amounting to 25% of the actual public transport expenses in excess of \$400, subject to a maximum of \$300 per month. Besides, commuters can also continue to benefit from various public transport fare concession schemes provided by the Government and public transport operators. For the first month of the Scheme’s implementation (i.e. January 2019), based on the actual public transport expenses of commuters, the Government handed out a total subsidy of around \$186 million, involving

over 2.3 million of beneficiaries. Around 90% of the beneficiaries can collect a subsidy equal to or below \$200, and around 10% can collect a subsidy over \$200. Among the beneficiaries collecting over \$200 of subsidy, approximately 20% can collect \$300. The amount of the subsidy for February which has been handed out from 16 March 2019 onwards is around \$120 million, involving over 1.9 million of beneficiaries.

The Scheme covers the Mass Transit Railway, franchised buses, green minibuses (“GMBs”), ferries and trams, as well as designated routes of red minibuses (“RMBs”), Kaitos, non-franchised buses providing residents’ services (“RS”) and employees’ services (“ES”) approved by the Transport Department (“TD”).

As regards RS, ES, RMBs and Kaitos, their operation modes are relatively flexible and their fares do not require TD’s approval. Hence, while these four public transport services are covered by the Scheme, the Government must adopt risk-based monitoring measures to suitably manage the risks and minimise abuses of the Scheme as far as possible.

Operators of these services who are interested in joining the Scheme must observe the basic requirements, including being the Passenger Service Licence/the Ferry Service Licence holders with business registration, installing the Octopus payment system on the vehicles, registering with TD the information of the routes participating in the Scheme, etc., followed by submitting an application to TD. The operators must also comply with a set of prescribed operational requirements, including displaying clear signage of the Scheme at a conspicuous location of the vehicles/vessels, submitting operational data regularly, uploading transaction records of the Octopus payment system in a timely manner, submitting assurance reports on systems of internal control punctually, etc.

TD will implement corresponding monitoring measures, including conducting regular transport surveys to gather operational information and passenger statistics of relevant services, verifying the reports submitted by public transport operators and examining the relevant records of the Scheme submitted by the Octopus Cards Limited. Abnormal transactions are under TD’s inspection. Any suspected fraudulent or illegal cases will be referred to the Police for follow-up actions. If an individual operator is found not complying with the prescribed operational requirements, depending on the nature and the extent of the non-compliance, TD might issue warning letters to the operator or even suspend its participation in the Scheme temporarily or permanently.

For the above four modes of public transport services, the Government

welcomes and encourages the operators to join the Scheme. TD has been maintaining close communication with the operators of these four modes of public transport services in answering their enquiries and providing them with assistance for joining the Scheme. TD will also continue to accept and process applications from the operators of these four modes of public transport services for allowing the relevant operators to join the Scheme as soon as possible. As previously mentioned, operators of RS, ES, RMBs and Kaitos joining the Scheme must first observe the basic requirements, which include installing the Octopus payment system on the vehicles. Currently, the Octopus payment system is installed by the operators at their own costs. Nevertheless, the Octopus Cards Limited has been offering special concessions to operators which apply for joining the Scheme for the first time and use the Octopus payment system. They can procure the Octopus processors and other relevant devices and services at discounted prices. In addition, if the operators choose the rental option of Octopus processors, the Octopus Cards Limited has also offered the rent free concession for the first year.

The Government will closely monitor the operation of the Scheme. We will commence the first review of the Scheme around a year after the Scheme's implementation to examine its effectiveness, impacts on the travelling patterns of commuters and the overall strategic arrangement of public transport services, as well as its financial implications having regard to actual data.

The Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (“\$2 Concession Scheme”) falls within the policy portfolio of the Labour and Welfare Bureau (“LWB”). LWB is conducting a review of the \$2 Concession Scheme. The review will take into account the views of members of the public.

Yours sincerely,
[signed]
(Anson WAN)
for Secretary for Transport and Housing